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June 28, 2005
VIA FEDERAL EXPRESS

RE: Docket No. 04-00371

Dear Ms. Dillon:

Enclosed herewith for filing in the above referenced matter are the original and 13 conformed copies of the Quarterly Report of Action In Connection with the Sale of 4.95% Senior Notes, Series I, Due 2015..

If you have any questions, please do not hesitate to contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

WCB/pl
Enclosures

cc: William E. Johnson, Esq. (w/out encl.)
James R. Bacha, Esq. (w/out encl.)

TENNESSEE:

Before the

2005 JUN 29 PM 1:09

TENNESSEE REGULATORY AUTHORITY

TRAL DOCKET ROOM

.....
REPORT
of
APPALACHIAN POWER COMPANY
.....

Docket No. 04-00371

QUARTERLY REPORT OF ACTION IN CONNECTION WITH
THE SALE OF 4.95% SENIOR NOTES, SERIES I, DUE 2015

APPALACHIAN POWER COMPANY ("Appalachian") reports as follows:

1. Pursuant to the Order of this Commission, dated November 30, 2004, in Docket No. 04-00371, Appalachian issued \$200,000,000 aggregate amount of its 4.95% Senior Notes, Series I, due 2015.
2. Issue date: January 21, 2005.
3. Amount issued: \$200,000,000.
4. Interest Rate: 4.95%
5. Maturity date: February 1, 2015.
6. Net Proceeds: \$198,414,000
7. Itemized List of Expenses: See Exhibit A.
8. Balance Sheet: See Exhibit B.
9. Securities refunded: None, repaid short-term debt, including advances from affiliates.

Respectfully submitted this 17TH day of June, 2005.

APPALACHIAN POWER COMPANY

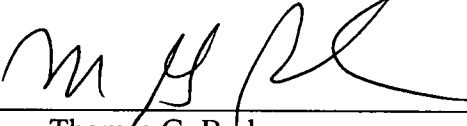
By: 
Thomas G. Berkemeyer
Assistant Secretary

EXHIBIT A

Expenses:

Moody's	\$ 40,000
S&P	54,500
Fitch	20,000
Legal Fees	75,000
Trustee	10,000
Printing	5,000
Miscellaneous	<u>20,500</u>
Total	<u>\$ 225,000</u>

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
CAPITALIZATION AND LIABILITIES
March 31, 2005 and December 31, 2004
(Unaudited)

	2005	2004
	(in thousands)	
CAPITALIZATION		
Common Shareholder's Equity		
Common Stock - No par value:		
Authorized – 30,000,000 shares	\$ 260,458	\$ 260,458
Outstanding – 13,499,500 shares	822,911	722,314
Paid-in Capital	554,493	508,618
Retained Earnings	(89,382)	(81,672)
Accumulated Other Comprehensive Income (Loss)	1,548,480	1,409,718
Total Common Shareholder's Equity	17,784	17,784
Cumulative Preferred Stock Not Subject to Mandatory Redemption	1,566,264	1,427,502
Total Shareholders' Equity	1,352,724	1,254,588
Long-term Debt – Nonaffiliated	2,918,988	2,682,090
TOTAL		
CURRENT LIABILITIES		
Long-term Debt Due Within One Year – Nonaffiliated	630,010	530,010
Advances from Affiliates	-	211,060
Accounts Payable:		
General	176,933	130,710
Affiliated Companies	71,712	76,314
Risk Management Liabilities	141,701	89,136
Taxes Accrued	69,088	90,404
Interest Accrued	38,041	21,076
Customer Deposits	56,379	42,822
Obligations Under Capital Leases	6,577	6,742
Other	50,191	56,645
TOTAL	1,240,632	1,254,919
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred Income Taxes	858,067	852,536
Regulatory Liabilities:		
Asset Removal Costs	92,337	95,763
Over-recovery of Fuel Cost	61,163	57,843
Deferred Investment Tax Credits	29,248	30,382
Unrealized Gain on Forward Commitments	35,685	23,270
Employee Benefits and Pension Obligations	110,725	130,530
Long-term Risk Management Liabilities	104,320	57,349
Asset Retirement Obligations	25,101	24,626
Obligations Under Capital Leases	12,000	13,136
Deferred Credits	16,814	17,474
TOTAL	1,345,460	1,302,909
Commitments and Contingencies (Note 5)		
TOTAL CAPITALIZATION AND LIABILITIES	\$ 5,505,080	\$ 5,239,918

See Notes to Financial Statements of Registrant Subsidiaries beginning on page L-1

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2005 and December 31, 2004
(Unaudited)
(in thousands)

	<u>2005</u>	<u>2004</u>
ELECTRIC UTILITY PLANT		
Production	\$ 2,525,139	\$ 2,502,273
Transmission	1,257,336	1,255,390
Distribution	2,088,544	2,070,377
General	294,211	302,474
Construction Work in Progress	473,066	399,116
Total	<u>6,638,296</u>	<u>6,529,630</u>
Accumulated Depreciation and Amortization	2,458,894	2,443,218
TOTAL - NET	<u>4,179,402</u>	<u>4,086,412</u>
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property, Net	20,834	20,378
Other Investments	13,029	18,775
TOTAL	<u>33,863</u>	<u>39,153</u>
CURRENT ASSETS		
Cash and Cash Equivalents	1,213	536
Other Cash Deposits	14,995	1,133
Advance to Affiliates	29,054	-
Accounts Receivable:		
Customers	151,080	126,422
Affiliated Companies	126,573	140,950
Accrued Unbilled Revenues	34,147	51,427
Miscellaneous	1,311	1,264
Allowance for Uncollectible Accounts	(1,722)	(5,561)
Risk Management Assets	126,924	81,811
Fuel	52,058	45,756
Materials and Supplies	45,106	45,644
Margin Deposits	15,800	8,329
Prepayments and Other	17,280	12,192
TOTAL	<u>613,819</u>	<u>509,903</u>
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory Assets:		
SFAS 109 Regulatory Asset, Net	343,652	343,415
Transition Regulatory Assets	24,406	25,467
Unamortized Loss on Reacquired Debt	17,356	18,157
Other	52,448	36,368
Long-term Risk Management Assets	145,301	81,245
Emission Allowances	43,530	38,931
Deferred Property Taxes	40,423	37,071
Deferred Charges and Other	10,880	23,796
TOTAL	<u>677,996</u>	<u>604,450</u>
TOTAL ASSETS	<u>\$ 5,505,080</u>	<u>\$ 5,239,918</u>

See Notes to Financial Statements of Registrant Subsidiaries beginning on page L-1.